

June 22, 2018

(Updated on October 26, 2018)

To whom it may concern,

Civil Rehabilitation Debtor: MtGox Co., Ltd.

Civil Rehabilitation Trustee: Nobuaki Kobayashi, Attorney-at-law

### **Announcement of Commencement of Civil Rehabilitation Proceedings**

As was announced on November 29, 2017, in the “Announcement Regarding Petition for Commencement of Civil Rehabilitation Proceedings Filed by Some of the Creditors”, some of the creditors of MTGOX Co., Ltd. (“MTGOX”) filed a petition for commencement of civil rehabilitation proceedings against MTGOX with the Tokyo District Court on November 24, 2017.

The petition was heard, and at 5:00 p.m. on June 22, 2018, the Tokyo District Court issued an order of the commencement of civil rehabilitation proceedings for MTGOX. As a result, the previously ongoing bankruptcy proceedings were stayed. In addition, simultaneously with the order of the commencement of civil rehabilitation proceedings, an administration order was issued by the Tokyo District Court, and I have been appointed Civil Rehabilitation Trustee (In the Matter of a Petition for Commencement of Civil Rehabilitation Proceedings, Tokyo District Court 2017 (sai) no. 35).

The power and authority to administer and dispose of MTGOX’s assets is still vested exclusively in me, and I will implement the civil rehabilitation proceedings, including the administration of MTGOX’s assets and the investigation of claims, subject to the Tokyo District Court’s supervision.

I kindly ask for your understanding and cooperation in this matter.

The schedule going forward for the Civil Rehabilitation Proceedings is as follows:

- (1) Meeting for reporting the status of property and submission deadline for a report under Article 125 of the Civil Rehabilitation Act:  
September 26, 2018
- (2) Deadline for Filing proof of rehabilitation claims:  
October 22, 2018
- (3) Submission deadline for inventory of assets and balance sheets:  
December 27, 2018

(4) Submission deadline for statement of approval or disapproval:

January 24, 2019

(5) Period to examine Proofs of rehabilitation claims:

From January 31, 2019, to February 7, 2019

(6) Submission deadline for proposed rehabilitation plan:

February 14, 2019

\*This schedule is subject to change as the civil rehabilitation proceedings progress.

\*We plan to post detailed information such as the form of a proof of rehabilitation claims on this website: <https://www.mtgox.com/>.

Further, due to the stay of the bankruptcy proceedings, MTGOX bankruptcy claims filling system (the “System”), which was being provided on its website, has been temporarily suspended. As in the bankruptcy proceedings, the Civil Rehabilitation Trustee is expected to accept the method of filing a proof of rehabilitation claim through the System in the Civil Rehabilitation Proceedings as well. Therefore, please take note of your user name and password registered on the System.

For the inquiries on Commencement of Civil Rehabilitation Proceedings, please see the Attachment, “Answers to Frequently Asked Questions.”

In addition, the following call center has been set up for this matter. However, please note that, at this time, it is difficult to answer questions other than those explained in the Attachment.

Telephone number: +81-3-4588-3922

Operating hours: Monday through Friday, 10:00 a.m. to 5:00 p.m. (Japan time)

\*All inquiries should be made through the telephone number above. Please refrain from making inquiries to the Office of the Civil Rehabilitation Trustee, whether by email or otherwise, as it is difficult to respond to such inquiries.

You will be informed of any relevant information, where necessary, through the appropriate channels, including this website.

I kindly ask for your continued understanding and cooperation in the civil rehabilitation proceedings.

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Attachment

June 22, 2018

To whom it may concern:

Civil Rehabilitation Debtor: MtGox Co., Ltd.  
Civil Rehabilitation Trustee: Nobuaki Kobayashi, Attorney-at-law

**Answers to Frequently Asked Questions**

As stated below, we would like to explain the current status of MtGox Co., Ltd. ("MTGOX"), including proceedings going forward, to the extent possible.

As there remain matters to be determined by the court, among other parties, many answers to the questions below are merely presumptions. We ask for your understanding in this regard.

We plan to post any relevant information through the MTGOX's website (<https://www.mtgox.com/>).

**I Questions on Civil Rehabilitation Proceedings**

Q1) What is the difference between bankruptcy proceedings and civil rehabilitation proceedings?

A1) The main differences between the two are as follows:

(1) In bankruptcy proceedings, the power and authority to administer and dispose of the bankruptcy estate is exclusively vested in a bankruptcy trustee. Conversely, in civil rehabilitation proceedings, in principle, the civil rehabilitation debtor retains the power and authority to administer and dispose of its assets. However, even in the case of civil rehabilitation proceedings, if an administrative order is issued by the court, and a civil rehabilitation trustee is appointed, the power and authority to administer and dispose of the civil rehabilitation debtor's assets will be exclusively vested in the civil rehabilitation trustee. In this civil rehabilitation proceedings, the Tokyo District Court has issued an administrative order and has appointed me as Civil Rehabilitation Trustee. Therefore, the power and authority to administer and dispose the Civil Rehabilitation Debtor's assets is exclusively vested in me.

(2) In bankruptcy proceedings, non-monetary claims are converted into monetary claims based on the valuation as at the time of the commencement of bankruptcy proceedings. In contrast, in civil rehabilitation proceedings, non-monetary claims are not converted into monetary claims at the time of commencement of the civil rehabilitation proceedings. Therefore, in the civil

rehabilitation proceedings in this matter, claims seeking a refund of Bitcoins (“Bitcoin Claims”) will also not be converted into monetary claims after the commencement of the civil rehabilitation proceedings. The amount of voting rights of Bitcoin creditors for resolutions on the proposed rehabilitation plan is based on the valuation of Bitcoins as at the time of commencement of the civil rehabilitation proceedings.

- (3) In bankruptcy proceedings, bankruptcy claims that have not been filed are not stated in the statement of approval or disapproval of claims. In contrast, in civil rehabilitation proceedings, the rehabilitation debtor, etc. (if a trustee is not appointed, the rehabilitation debtor will act; if a rehabilitation trustee has been appointed, as in this matter, the rehabilitation trustee will act; the same applies below), will state the rehabilitation claims which the rehabilitation debtor, etc., is aware of in the statement of approval or disapproval of rehabilitation claims, notwithstanding that proof of claims have not been filed for them.
- (4) In civil rehabilitation proceedings, the rehabilitation debtor, etc., will prepare a rehabilitation plan, in which matters such as the content of any modifications of rights of civil rehabilitation creditors and the payment plan are set out. This type of plan does not exist under bankruptcy proceedings. The rehabilitation debtor, etc., is required to obtain the court’s confirming order via a rehabilitation creditors’ resolution on the proposed rehabilitation plan to make repayments in accordance with the rehabilitation plan. If the proposed rehabilitation plan is rejected or not otherwise approved, the civil rehabilitation proceedings in this matter will be discontinued and the bankruptcy proceedings will be recommenced.

Q2) What is the Civil Rehabilitation Trustee?

A2) The civil rehabilitation trustee implements the civil rehabilitation proceedings, such as the administration and disposition of assets, the investigation of claims, the submission of the proposed civil rehabilitation plan and the implementation of the civil rehabilitation plan. The power and authority to administer and dispose of the civil rehabilitation debtor’s assets is vested exclusively in the civil rehabilitation trustee.

In the civil rehabilitation proceedings in this matter, the Tokyo District Court issued an administrative order and appointed me as Civil Rehabilitation Trustee of MTGOX.

Q3) What are the proceedings going forward?

A3) I will implement the civil rehabilitation proceedings, such as the administration of assets

and the investigation of the claims, under the supervision of the Tokyo District Court.

Q4) What is an examiner?

A4) An examiner examines matters specified by the court and reports the results of the examination.

In this matter, the Tokyo District Court has already issued the examination order and Hisashi Ito, attorney-at-law, has been appointed as the examiner. Simultaneously with the order of the commencement of civil rehabilitation proceedings for MTGOX, the Tokyo District Court has ordered to amend the examination order where the matters to be examined by the examiner were expanded. Accordingly, the examiner will examine the appropriateness of the proposed rehabilitation plan under the Civil Rehabilitation Proceedings and matters requested by the court to report opinions concerning the Civil Rehabilitation Proceedings, and provide the court with an opinion thereon.

Q5) When will a creditors' meeting be held?

A5) A creditors' meeting to report on the status of the rehabilitation debtor's assets and so on will be held on the date and at the venue below.

Date: September 26, 2018, 1:30 p.m.

Venue: Tokyo District Courtroom for Creditors' Meeting No.1

(5F, Joint Government Building for the Domestic, Summary and District Courts)

Q6) What is a proof of claim?

A6) A proof of claim is a procedure under which those who have civil rehabilitation claims file forms in which they report, among others, their names, addresses, amount of their claims, and the amount of their voting rights in order to participate in the civil rehabilitation proceedings. Not all filed claims will be accepted; the civil rehabilitation trustee investigates matters such as the existence and amount of the filed claim.

As in the bankruptcy proceedings, we plan to accept filling rehabilitation claims through the claim filing system in the civil rehabilitation proceedings.

We plan to post the information necessary to file proof of claims on this website. We kindly ask you to await further information.

Q7) Can I file a proof of claims for cryptocurrencies split from Bitcoin, such as Bitcoin Cash?

A7) At this moment, we plan not to accept specific filing of cryptocurrencies other than Bitcoins. Instead, we plan to deem Bitcoin creditors who have filed a proof of claim for Bitcoins have also filed a proof of claims for other cryptocurrencies proportionate to the

number of Bitcoins filed. We will post the further detailed information on this website. We kindly ask you to await further information.

Q8) I have already filed a proof of claim in the bankruptcy proceedings. Due to the commencement of civil rehabilitation proceedings, do I have to re-file a proof of claim?

A8) We apologize for the inconvenience, but, yes, we ask you to re-file your proof of claim. As you will be notified on this website of the information necessary to file proof of claims, we kindly ask you to await further information.

Q9) Although I have not filed a proof of claim by the filing deadline for the bankruptcy proceedings, can I file a proof of claim in the civil rehabilitation proceedings?

A9) Those who have not filed proof of claims in the bankruptcy proceedings or who have filed proof of claims after the filing period had passed (i.e., the date of the investigation of claims, May 25, 2016), may file proof of claims in the civil rehabilitation proceedings. We plan to post further details on this website.

Q10) Prior to commencement of the civil rehabilitation proceedings, I acquired a claim against MTGOX from a third party. Which of the transferor or transferee is required to file a proof of claim in the civil rehabilitation proceedings?

A10) The transferee is required to file a proof of claim. Further, even if the transfer of a claim was made after the bankruptcy proceedings had commenced and the transferor had notified the bankruptcy trustee of the transfer of claim, the transferee of such claim is required to file a proof of claim in the civil rehabilitation proceedings again. We plan to post further details on this website.

Q11) I would like to immediately file a self-prepared proof of claim. Where should I send it to?

A11) As is mentioned above, the information necessary to file proof of claims will be posted on this website at a later date. We kindly ask you to await its posting. If creditors were to file their self-prepared forms, confusion may arise due to the forms lacking certain necessary information required by law or inconsistencies in the interpretation of the details on such forms. Further, in view of the large number of creditors in this matter, if such confusion arises regarding many creditors, the civil rehabilitation proceedings could be significantly delayed, which could impair creditors' interests. We kindly ask that you await the information above to be provided to you.

Q12) I have not disclosed my name or address to MTGOX. Will the information on the proof of claim be sent to me?

A12) MTGOX users who have not disclosed their names or addresses to MTGOX may not be contacted by the court or the Civil Rehabilitation Trustee. However, we plan to provide the necessary information to the creditors on this website.

We kindly ask that you continuously and regularly check the website.

Q13) What happens if I do not file a proof of claim?

A13) It is possible that you will lose your rights if you do not file a proof of civil rehabilitation claim. Please check the website continuously and regularly, and file your proof of claim, which must be delivered by no later than Monday, October 22, 2018, the filing deadline for rehabilitation claims.

## **II Questions on Measures to Secure Bankruptcy Creditors' Interests**

Q14) Have the measures mentioned in the examination report dated February 28, 2018, that is the "measures to secure the interests that are expected to have already been obtained by all creditors who filed proofs of claims for the bankruptcy proceedings, especially creditors whose bankruptcy claims are monetary claims," been taken?

A14) Based on the consultation with the court and the examiner, the measures below were taken with the court's approval. We plan to explain the details to creditors at a later date.

- (1) As a measure to secure a certain amount of interests that are expected to have already been obtained by all creditors who filed proofs of claims for the bankruptcy proceedings, a certain amount of the bankruptcy estate's Bitcoin and Bitcoin cash was sold after the 10th creditors' meeting in the bankruptcy proceedings, and the bankruptcy estate secured a certain amount of cash.
- (2) In particular, as a measure to secure the interests of the bankruptcy creditors whose bankruptcy claims are monetary claims, a trust with a certain amount of cash of the bankruptcy estate as a trust assets has been established.

## **III Questions on the Handling of Bitcoin, etc.**

Q15) How was the Bitcoin and Bitcoin Cash sold?

A15) As in sales from December 2017 to February 2018, upon consultation with cryptocurrency

transaction experts, Bitcoin and Bitcoin Cash were sold in a manner that had no effect on market price and not by ordinary sale on an exchange, while ensuring the security of the transaction to the extent possible (please refer to the “Q&A regarding 10th Creditors’ Meeting Report” dated March 17, 2018).

Q16) Are there future plans to sell Bitcoins and Bitcoin cash?  
A16) At present, nothing has been determined regarding the sale of Bitcoin and cryptocurrencies split from Bitcoin (collectively, “Bitcoin, etc.”) in the future.

Q17) Will the Bankruptcy Trustee pay off with Bitcoin, etc.?  
A17) Matters such as the method and timing of payment in the civil rehabilitation proceedings will be determined in the rehabilitation plan established in the civil rehabilitation proceedings. Therefore, please understand that specific answers cannot be given at this time.

#### **IV Questions on Other Matters**

Q18) Will the Bitcoin exchange operated by MTGOX resume operations?  
A18) There are no plans to resume operations of the Bitcoin exchange operated by MTGOX at this time.

Q19) What will happen to MTGOX’s representative?  
A19) As the Tokyo District Court issued the administration order, MTGOX’s representative has lost the right to administer and dispose of MTGOX’s assets.

Q20) Can I speak directly with the Civil Rehabilitation Trustee?  
A20) As many interested parties are involved in the matter, please refrain from directly contacting the Civil Rehabilitation Trustee, and contact the call center with any questions you may have. However, please kindly note, at the moment, the call center is also unable to answer questions other than those in this FAQ.

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